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21 Dec
Told Truitt this OK by DDS
& we go! Asked whom OF
To be honcho - he named



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Budget Div - should be
filled with SF careerists
but not so consistently.

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20 DEC 1967

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : IG's Report of Survey of the Office of Finance

The IG report contained fourteen specific recommendations, many of which require the participation of offices other than Finance in formulating a response. In order to conserve space and reading time, the recommendations are not repeated below and are referred to merely by number. There is attached, however, a copy of these recommendations for reference. This paper proposes an approach to each recommendation and the assignment of personnel from other offices to committees where committee action is appropriate.

Recommendation 1

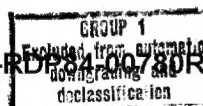
The issue in Recommendation 1 appears to revolve around the definition of "financial analysis." In an attempt to satisfy this recommendation, the Director of Finance will draft a new version of [] He will attempt to avoid stereotyped regulatory language and will clearly define his responsibilities and authorities as he sees them. With this draft in hand, the Assistant Deputy Director for Support will convene the Regulations Committee to resolve any differences that the new proposal generates among the other Directorates and O/PPB. When there is agreement among the Directorates and O/PPB on the scope and level of the Office of Finance responsibilities and authorities, the matter will be returned to the Office of Finance for final submission as a regulation change.

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Recommendations 2 and 3

These recommendations deal essentially with career development programs and the overall professional standards of Finance personnel. A committee should be established composed of a senior and thoroughly imaginative officer widely experienced in personnel management and another such officer widely experienced in training, and chaired by the Director of Finance or his Deputy. The importance of these two recommendations as well as others that follow suggest that it might be appropriate for Mr. Wattles and Mr. [] to work with Mr. Fuchs on this subject. The committee will have to []

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determine if the Office of Finance position and grade structure allows for the establishment of a development cadre. If it does, the problem of the reported inflexibility of the Finance Career Service can be resolved fairly simply. If, on the other hand, the Office of Finance is seriously undermanned, and there are indications in a recent audit report that it may be, then the solution to the problem will require considerable ingenuity and effort. The committee should be formally established by the Deputy Director for Support and, if you approve, a memorandum accomplishing that will be prepared for your signature. It is not envisaged that this would be a full-time task, but it must be approached promptly in view of the deadline established by the Executive Director.

Recommendation 4

The Training Officer appointed to the committee proposed above should also work on Recommendation 4 with the Director of Finance to review and revise the training program for a Finance careerist to meet the objective of qualifying as many Finance careerists as possible to serve as rotational Finance Officers at Class A Field Stations.

Recommendation 5

In my view, we should not accept this recommendation precisely as it is presented. The realities of retirement are that any individual questioned about his intent to retire will avoid any indication that he might retire sooner than he is required to by Agency policy. To do otherwise, would in his view, and probably in fact, affect his chances for promotion and assignment. It is believed that a straightforward review of the scheduled eligibility for retirement of Finance careerists is the only meaningful statistical review. To this some overall judgment factor may be applied. I recommend that the Director of Finance be authorized to answer this recommendation substantially along these lines.

Recommendation 6

Here again, I would recommend a different approach to the problem of a classification survey than that recommended by the IG report. There are indications that a good deal of the difference between Finance and Personnel on the classification of some Finance jobs may be well on the way toward resolution. Furthermore, the presentation to you of conflicting views would

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place you in the position of having to reject the arguments of one or the other of these two officers. I would suggest that Mr. [] be designated as your representative to review the position of the Director of Finance and the objections of the Director of Personnel and to present his recommendation to you. Mr. [] is suggested in view of his extensive experience in both Finance and Personnel and his total acceptability to both offices as well as his reputation for objectivity and fairness.

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Recommendation 7

The response to Recommendation 7 will depend to a very great extent on the results of the committee effort directed toward Recommendations 2 and 3. It is suggested, therefore, that action on Recommendation 7 be deferred until the committee has had a chance to resolve the problems in those recommendations. The committee should be alerted, however, that it will subsequently have to address itself to developing a plan for providing flexibility to meet contingency requirements and for ensuring orderly planning and control of a rotational cycle for the Office of Finance.

Recommendation 8

There is in existence a DD/P Directive that all personnel being assigned to administrative positions at small stations where they will be required to handle financial affairs be properly trained in Finance procedures. It is believed that a memorandum from you to the Director of Personnel requiring him to have the Overseas Candidate Review Panel look into the latent ability of the assignee in financial matters will meet this recommendation.

Recommendation 9

Following the action on Recommendations 2 and 3, the Director of Finance should prepare a letter of instructions to his Chief of Support clearly defining his responsibilities for the planning and administering of a rotational program for the Finance Career Service. The Director of Finance is in agreement and will establish the Personnel Officer position and will request the Director of Personnel to provide a specialist to fill it.

Recommendation 10

I would suggest that we not accept this recommendation as our experience with the hire of one-time contract experts is not totally satisfactory. My experience has been that we are better off using our in-house capabilities for this

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kind of management review. What is needed is a documented flow chart showing the movement of Finance papers, points of action, and final disposition. These flow charts are a standard tool of SIPS and highlight duplicate functions and unnecessary actions.

Recommendation 11

This recommendation is not clear in its present form but would appear to be largely dependent on the outcome of the discussions of the Office of Finance Statement of Mission and Functions as discussed in Recommendation 1. It is recommended that the Director of Finance attempt to clarify the recommendation by consultation with those members of the IG Staff who worked on the survey. The facts are that the Liaison Staff does perform some financial analysis but reconstitution of the old Financial Analysis Staff is not indicated unless there is to be a great deal more meaning to financial analysis than has heretofore been acceptable.

Recommendation 12

A travel policy committee would be useful and should be established by the Executive Director-Comptroller since its activities will unquestionably dilute to some extent the authority of approving officers. We should not concur, however, with the recommendation that the travel policy committee be charged with adjudicating claims. At present they are adjudicated by you and I believe this is a sound procedure. Otherwise, the Director of Finance agrees to this recommendation, but I do not see that he has any implementing role at this

Recommendation 13

Nearly all of the action called for here is underway and the remainder will be undertaken forthwith. There is no issue.

Recommendation 14

Here again there is no issue and the action has already been undertaken. As you are aware, there will be many months before accomplishment.

Alan M. Warner

Special Assistant to the
Deputy Director for Support

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Remarks:

I have reviewed the attached and am in agreement with it. If you wish to talk about it any further, please let me know.

/s/ R. H. Fuchs

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